

Honolulu, Hawaii

MAR 25 2015

RE: H.B. No. 252
H.D. 1
S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Madam:

Your Committee on Health, to which was referred H.B. No. 252,
H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PHARMACY BENEFIT MANAGERS,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish requirements for a pharmacy benefit manager that reimburses a contracting pharmacy for a drug on a maximum allowable cost basis; and
- (2) Require the pharmacy benefit manager to have a clearly defined process for a contracting pharmacy to appeal the maximum allowable cost for a drug on a maximum allowable cost list and establish requirements for that process.

Your Committee received testimony in support of this measure from the Hawaii Community Pharmacists Association and one individual. Your Committee received comments on this measure from CVS Health.

Your Committee finds that the majority of daily claims that a pharmacy fills are generic drugs and that there is currently no legal process regarding the maximum allowable cost appeal process. This measure sets parameters for pharmacy benefit managers to establish such a process.

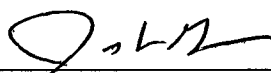


Your Committee has amended this measure by:

- (1) Specifying that a contracting pharmacy shall be provided no less than fourteen business days following receipt of payment for the claim upon which the appeal is based to file the appeal with the pharmacy benefit manager, rather than pay the claim; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 252, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 252, H.D. 1, S.D. 1, and be referred to the Committees on Commerce and Consumer Protection and Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Health,




JOSH GREEN, Chair



The Senate
Twenty-Eighth Legislature
State of Hawai'i

Record of Votes
Committee on Health
HTH

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 252 HD1	HTH, CPN/WAM	3/18/15		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"><input type="checkbox"/> Pass, unamended 2312</div> <div style="text-align: center;"><input checked="" type="checkbox"/> Pass, with amendments 2311</div> <div style="text-align: center;"><input type="checkbox"/> Hold 2310</div> <div style="text-align: center;"><input type="checkbox"/> Recommit 2313</div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
GREEN, Josh (C)	X			
WAKAI, Glenn (VC)				X
BAKER, Rosalyn H.	X			
GABBARD, Mike	X			
RIVIERE, Gil	X			
RUDERMAN, Russell E.	X			
SLOM, Sam	X			
TOTAL	6	0	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align: center; font-family: cursive; font-size: 1.2em;">  </div>				
<div style="display: flex; justify-content: space-between; font-size: 0.8em;"> <div>Distribution:</div> <div>Original</div> <div>Yellow</div> <div>Pink</div> <div>Goldenrod</div> </div> <div style="display: flex; justify-content: space-between; font-size: 0.7em;"> <div>File with Committee Report</div> <div>Clerk's Office</div> <div>Drafting Agency</div> <div>Committee File Copy</div> </div>				

*Only one measure per Record of Votes